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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:
DELPHI CORPORATION, <u>et al.</u> ,	:
Debtors.	:
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: Chapter 11
:
Case No. 05-44481 (RDD)
:
Jointly Administered

**STATEMENT OF KENSINGTON INTERNATIONAL LIMITED, MANCHESTER
SECURITIES CORP. AND SPRINGFIELD ASSOCIATES, LLC IN SUPPORT OF
THE MODIFIED PLAN AND MASTER DISPOSITION AGREEMENT**

Kensington International Limited, Manchester Securities Corp. and Springfield
Associates, LLC (the “Manchester Entities”), in their capacity as DIP Lenders¹ to the Debtors
under that certain Revolving Credit, Term Loan and Guaranty Agreement among Delphi
Corporation, as Borrower, and the Subsidiaries of the Borrower, as Guarantors, and the Lenders,
dated January 9, 2007, as amended by the Amended and Restated Revolving Credit, Term Loan
and Guaranty Agreement among Delphi Corporation, as Borrower, and the Subsidiaries of the

¹ All capitalized terms not expressly defined in this statement shall be construed to have the same meaning as given them in the DIP Credit Agreement (as hereinafter defined).

Borrower, as Guarantors, and the Lenders (as thereafter amended, supplemented or otherwise modified from time to time), dated as of May 9, 2008 (the “DIP Credit Agreement”), by and through their undersigned counsel, hereby file this statement (the “Statement”)² in support of the Debtors’ Omnibus Reply in Support of Modified Plan and Master Disposition Agreement [Docket No. 18659] (the “Debtors’ Reply”) and to reserve certain rights in connection therewith.

In support of this Statement, the Manchester Entities respectfully state as follows:

1. The Manchester Entities support the approval of the Master Disposition Agreement and the Debtors’ Reply as submitted to the Court, in that order in the event of any inconsistency between the Master Disposition Agreement and the Debtors’ Reply, and except as noted herein.³
2. On July 27, 2009, pursuant to the Modification Procedures Order, dated June 16, 2009 [Docket No. 17032], as supplemented and amended by Supplemental Modification Procedures Order, dated July 17, 2009 [Docket No. 18352], and Third Supplemental Modification Procedures Order, dated July 21, 2009 [Docket No. 18551] (the “Modification Procedures”), the Debtors selected the DIP Lenders as the Successful Bidders and their Pure Credit Bid as the Successful Alternative Transaction (as such terms are defined in the Modification Procedures). The Manchester Entities concur with such selection and support the relief requested by the Debtors.

² The Manchester Entities also join in the Response of the Collective of DIP Lenders to the Lenders to the Debtors’ Omnibus Reply in Support of Modified Plan and Master Disposition Agreement [Docket No. 18674].

³ The Manchester Entities reserve all rights to object to any subsequent statements made by the Debtors through either court filing or at any hearing.

3. The Manchester Entities further submit that the Pure Credit Bid was the highest and best offer received by the Debtors. The only other bid submitted to the Debtors was the Master Disposition Agreement put forth by General Motors Corporation, Platinum Capital Equity Partners, L.P. and Parnassus Holdings II, LLC (the “Parnassus MDA”). The Pure Credit Bid is both higher and better than the Parnassus MDA.

4. The Manchester Entities reiterate that, in determining the highest bid, the only consideration to be valued is the benefit to the Debtors’ estates. With respect to the Pure Credit Bid, that benefit is approximately \$3.4 billion.

RESERVATION OF RIGHTS

5. The Manchester Entities hereby reserve their rights to supplement and expand upon this Statement at the hearing before the Court on July 29, 2009 and thereafter as necessary.

6. The Manchester Entities hereby reserve any and all rights, if necessary, to further object to and to reject the Parnassus MDA and any related transactions, proposed orders and/or plan modifications. The Manchester Entities do not hereby withdraw or waive their objections as set forth in the Objection of Kensington International Limited, Manchester Securities Corp. and Springfield Associates, LLC to Debtors’ Motion Seeking to Modify Its Plan of Reorganization, dated June 9, 2009 [Docket No. 16895], the Preliminary Objection of Kensington International Limited, Manchester Securities Corp. and Springfield Associates, LLC to (a) Confirmation of Debtors’ First Amended Plan of Reorganization and (b) Approval of Debtors’ Proposed 363 Sale, dated June 30, 2009 [Docket No. 17406], and the Objection of Kensington International Limited, Manchester Securities Corp. and Springfield Associates, LLC

to (a) Confirmation of Debtors' First Amended Plan of Reorganization and (b) Approval of Debtors' Proposed 363 Sale, dated July 15, 2009 [Docket No. 18296], or as otherwise preserved for the record in these chapter 11 cases, to the Parnassus MDA and to the plan modifications and sale order proposed in connection therewith.

7. The Manchester Entities further reserve any and all rights and remedies available to them under the DIP Credit Agreement, the Loan Documents, the DIP Order, and applicable law. This Statement does not in any way constitute consent or a waiver of rights under the DIP Credit Agreement, the Loan Documents, the DIP Order, or otherwise.

CONCLUSION

The Manchester Entities respectfully request that, for the reasons stated above, the Court approve the Debtors' selection of the Pure Credit Bid as the highest and best bid, and grant such other and further relief as it deems just and proper.

Dated: July 28, 2009
New York, New York

/s/ Glenn E. Siegel

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